Attorney Docket No.: WARF-0002

Inventors: Laughon, Allen S.

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This listing of claims will replace all prior versions, and listings, of claims in the application:

<u>Listing of Claims</u>:

Claim 1 (currently amended): A method for identifying compounds that directly interact with a Smad protein or a $\underline{DNA-binding}$ Smad $\underline{protein}$ co-repressor $\underline{protein}$ to $\underline{protein}$ protein or $\underline{protein-DNA}$ interactions required for repression of transcription $\underline{from\ genes}$ induced by $TGF-\beta$, activin or bone morphogenetic protein signaling in cells comprising:

- (a) determining detecting a first level of transcription of a reporter with a Smad box-containing promoter detected in cells containing interacting proteins comprising a Smad protein, a <u>DNA-binding</u> Smad protein co-repressor protein and a CtBP protein before addition of a test compound;
 - (b) contacting said cells with the test compound; and
- (c) determining detecting a second level of transcription of the reporter detected in the cells containing interacting proteins comprising a Smad protein, a Smad protein co-repressor and a CtBP protein after addition of the test compound; and
- (d) comparing the first level with the second level, wherein a decrease in the level of repression of transcription of the reporter induced in said cells after addition of the test compound containing interacting proteins comprising the Smad protein, the Smad protein co-repressor and the CtBP protein is indicative of the ability of the test compound to interfere with transcriptional repression and to prevent repression of

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transcription that is produced of genes induced by a TGF- β , activin or bone morphogenetic protein signal in cells.

Claim 2 (currently amended): The method of claim 1 wherein transcription levels of the reporter both before and after addition of the test compound are detected in cells containing a Smad protein, a CtBP protein, and a <u>DNA-binding Smad co-repressor protein selected from the group consisting of Evi-1, TGIF, SIP1, and Schnurri.</u>

Claim 3 (original): The method of claim 1 wherein the Smad protein is *Drosophila* Mad or Medea.

Claim 4 (currently amended): The method of claim 1 wherein the CtBP protein is dCtBP, CtBP2 or a <u>functional</u> homologue of dCtBP.

Claims 5-8 (canceled).